

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WELLS FARGO BANK, N.A.,
Petitioner,

v.

UNITED SERVICES AUTOMOBILE ASSOCIATION,
Patent Owner.

Case CBM2019-00029
Patent 10,013,605 B1

Before JONI Y. CHANG, MICHAEL R. ZECHER, and
STACEY G. WHITE, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

DECISION

Denying Institution of Covered Business Method Patent Review
35 U.S.C. § 324

I. INTRODUCTION

Wells Fargo Bank, N.A. (“Petitioner”) filed a Petition (Paper 1, “Pet.”), requesting a review of claims 1–3, 5–14, and 16–19 (the challenged claims) of U.S. Patent No. 10,013,605 B1 (Ex. 1001, “the ’605 patent”) under the transitional program for covered business method patents (“CBM”).¹ United Services Automobile Association (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 10 (“Prelim. Resp.”).

For the reasons discussed below, we determine that Petitioner has not demonstrated that the ’605 patent is eligible for review as a covered business method patent under § 18(d)(1) of the AIA. Therefore, the Petition is *denied*, and no trial is instituted in this proceeding.

A. Related Matters

The parties indicate that the ’605 patent is involved in *United Services Automobile Association v. Wells Fargo Bank N.A.*, Case No. 2:18-CV-00366-JRG (E.D. Tex.). Pet. 61; Paper 4, 2. In addition to this Petition, Petitioner filed other petitions challenging the patentability of certain subsets of claims in the following patents owned by Patent Owner:

- (1) U.S. Patent No. 8,699,779 B1 (CBM2019-00005 and IPR2019-01083);
- (2) U.S. Patent No. 8,977,571 B1 (CBM2019-00004 and IPR2019-01082);
- (3) U.S. Patent No. 9,818,090 B1 (CBM2019-00002 and IPR2019-00815);

¹ See § 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (“AIA”).

(4) U.S. Patent No. 9,224,136 B1 (CBM2019-00027); (5) U.S. Patent No. 9,336,517 B1 (Case CBM2019-00003); and (6) U.S. Patent No. 10,013,681 B1 (CBM2019-00028). *See* Paper 7, 2. To date, we dismissed the petition and terminated the proceeding in CBM2019-00002, we denied the petition because the involved patent was not eligible for covered business method patent review in each of CBM2019-00003, CBM2019-00004, and CBM2019-00005, and we denied the petition on the merits in IPR2019-00815. *Wells Fargo Bank, N.A. v. United Servs. Auto. Ass’n*, CBM2019-00002, Paper 16 (PTAB Apr. 26, 2019) (Decision Denying Institution); *Wells Fargo Bank, N.A. v. United Servs. Auto. Ass’n*, CBM2019-00003, Paper 25 (PTAB June 3, 2019) (Decision Denying Institution); *Wells Fargo Bank, N.A. v. United Servs. Auto. Ass’n*, CBM2019-00004, Paper 22 (PTAB May 15, 2019) (Decision Denying Institution); *Wells Fargo Bank, N.A. v. United Servs. Auto. Ass’n*, CBM2019-00005, Paper 25 (PTAB June 3, 2019) (Decision Denying Institution); *Wells Fargo Bank, N.A. v. United Servs. Auto. Ass’n*, IPR2019-00815, Paper 17 (PTAB Aug. 26, 2019) (Decision Denying Institution).

B. The '605 patent

The '605 patent describes a system for depositing checks remotely from a handheld mobile device. Ex. 1001, code (57), 2:33–54, 8:32–34.

Figure 1 of the '605 patent is reproduced below.

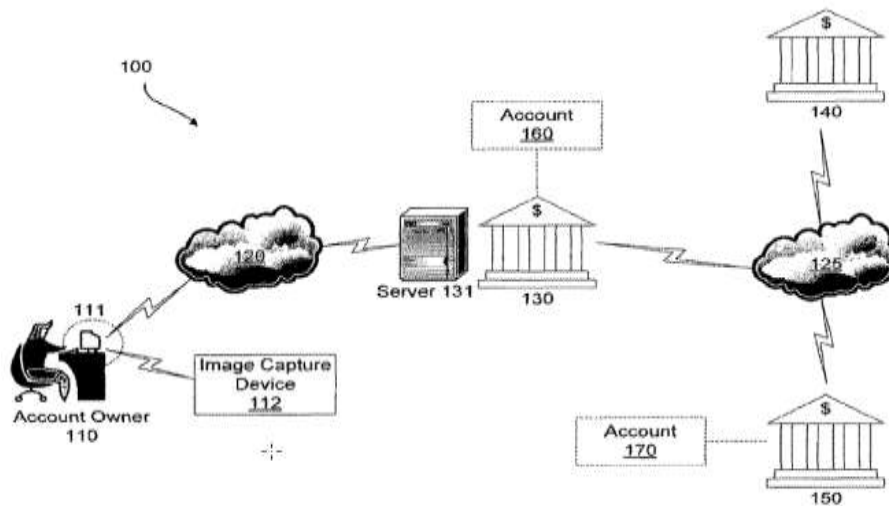


FIGURE 1

Figure 1 above illustrates a system for remote check deposits. System 100 includes server 131 located at financial institution 130, publicly accessible network 120, and general purpose computer 111 coupled to image capture device 112. *Id.* at 3:36–47. For example, account owner 110 (a bank customer), who has account 160 at financial institution 130, may use general purpose computer 111 to generate images of a check and send the images to server 131, via publicly accessible network 120. *Id.* General purpose computer 11 “may be in a desktop or *laptop* configuration.” *Id.* at 3:65–66 (emphasis added). Financial institution 130 may forward the image over network 125 to one or more other entities 140, 150, which may be associated with account 170 on which the check was drawn. *Id.* at 3:55–58.

Figure 4 of the '605 patent is reproduced below.

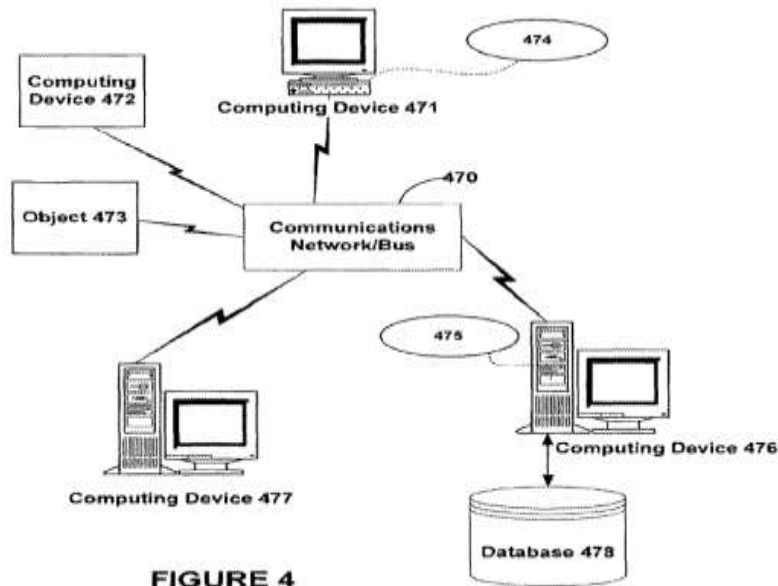


Figure 4 above illustrates an exemplary network architecture for connecting a general purpose computer to financial institution in a distributed computing environment. *Id.* at 3:4–8, 7:51–55. According to the '605 patent, the connected devices may be computers, digital devices such as Personal Digital Assistances (“PDAs”), televisions, MP3 players, software objects such as interfaces, communication objects, and the like. *Id.* at 8:28–34.

C. Illustrative Claim

Of the challenged claims, claims 1 and 12 are independent. Claims 2, 3, and 5–11 depend directly or indirectly from claim 1. Claims 13, 14, and 16–19 depend directly from claim 12. Claim 1 is illustrative of the claimed subject matter and is reproduced below:

1. An image capture and processing system for use with a digital camera, the image capture and processing system comprising:
 - [1A] a portable device comprising a general purpose computer including a processor coupled to a memory, the memory storing:
 - [1B] camera software comprising instructions that, when executed by the processor, control the digital camera;
 - [1C] a downloaded software component configured to control the camera software and to manage capturing electronic images, the software component comprising instructions that, when executed by the processor, cause the portable device to perform operations including:
 - [1D] instructing a user of the portable device to place a check in front of the digital camera and have the digital camera capture electronic images of front and back sides of the check;
 - [1E] displaying an instruction on a display of the portable device to assist the user in having the digital camera capture the electronic images of the check;
 - [1F] assisting the user as to an orientation for capturing the electronic images of the check;
 - [1G] presenting the electronic images of the check to the user after the digital camera captures the electronic images;
 - [1H] transmitting, using a wireless network, a copy of the electronic images over a public electronic communications network from the portable device,
 - [1I] wherein the transmitted copy of the electronic images is a modified version of the electronic images captured with the digital camera, the modified version having a different electronic format than the images captured with the digital camera; and
 - [1J] submitting the check for deposit after the system authenticates the user and after presenting the electronic images of the check to the user;

[1K] a plurality of processors coupled to a plurality of memory devices storing instructions that, when each instruction of the instructions is executed by a processor of the plurality of processors coupled to a memory device of the plurality of memory devices storing that instruction, cause the system to perform additional operations including

[1L] confirming that the deposit can go forward after performing an optical character recognition on the check, the optical character recognition including determining an amount of the check, comparing the determined amount to an amount entered by the user into the portable device, and reading a MICR line of the check;

[1M] initiating the deposit after the confirming; and

[1N] generating a log file for the deposit, the log file including a bi-tonal image of the check; and

[1O] another computer, remote from the portable device, comprising a processor coupled to a memory storing instructions that, when executed by the processor, cause the other computer to update a balance to reflect the amount of the check submitted for deposit by the portable device.

Ex. 1001, 15:9–16:3 (bracketed matters added, *see* Pet. A-1 to A-3).

D. Asserted Ground of Unpatentability

Petitioner asserts that claims 1–3, 5–14, and 16–19 are unpatentable under § 102(a)(1) as anticipated by Oakes.² Pet. 21–60.

However, the '605 patent claims the benefit of Oakes. Ex. 1001, code (63). Specifically, the '605 patent was issued from a continuation application that claims the benefit under 35 U.S.C. § 120 to a chain of

² U.S. Patent No. 8,708,227 B1 to Oakes (Ex. 1014, “Oakes”).

applications. *Id.* Oakes was issued from the earliest parent application in the chain. *Id.* Nonetheless, Petitioner alleges that Oakes qualifies as prior art because the challenged claims are not entitled to the earlier filing date of Oakes. Pet. 22–35. According to Petitioner, the challenged claims are not fully supported by the written description of the parent applications. *Id.*

Petitioner admits, however, that “‘continuity of disclosure’ is not germane to the present petition since all of the disclosures appear to be indistinguishable.” *Id.* at 26. Significantly, Petitioner also concedes that Oakes discloses all of the limitations recited in the challenged claims. *Id.* at 37–60.

At this preliminary stage, it is not necessary for us to determine whether Oakes qualifies as prior art for purposes of this Decision. Petitioner does not rely on Oakes expressly to support its arguments regarding CBM eligibility. *Id.* at 9–21. Although Petitioner attempts to incorporate by reference its anticipation ground based on Oakes (*id.* at 20), “Petitioner’s analysis with respect to its asserted [unpatentability] ground cannot take the place of a proper covered business method patent eligibility analysis.” *See Wells Fargo Bank, N.A., v. United Servs. Auto. Ass’n*, CBM2019-00004, Paper 22 at 30–31 (PTAB May 15, 2019) (Decision Denying Institution); *see also Motorola Mobility, LLC v. Intellectual Ventures I, LLC*, CBM2014-00084, Paper 21 at 4–5 (PTAB Sept. 23, 2014) (denying request for rehearing of decision denying institution because “[t]he only portion of the Petition addressing whether a claim as a whole recites a technological feature was addressed in our Decision. The portion of the Petition that

Petitioner contends the Board overlooked or misapprehended addresses only whether the challenged claims are novel and unobvious over the prior art, and does not address whether the claimed subject matter as a whole recites a technological feature.”) (internal citations omitted); *see also Bloomberg L.P. v. Quest Licensing Corp.*, CBM2014-00205, Paper 18 at 7, 9 (PTAB June 17, 2015) (denying request for rehearing of decision denying institution because petitioner did not carry burden on technological invention inquiry, and finding unpersuasive petitioner’s arguments that focused on portions of the petition other than the section addressing the technological invention inquiry). Furthermore, for the reasons discussed below, we determine that Petitioner has not met its burden to demonstrate that the ’605 patent is eligible for CBM review.

II. ANALYSIS

A. Claim Construction

In a CBM proceeding based on a petition filed on or after November 13, 2018, a patent claim shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. § 282(b). 37 C.F.R. § 42.300(b) (as amended Oct. 11, 2018).³ This claim construction standard is the same as that applied in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc), and its

³ See Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 51,340 (Oct. 11, 2018).

progeny. Under that standard, the words of a claim are generally given their “ordinary and customary meaning,” which is the meaning the term would have to a person of ordinary skill at the time of the invention, in the context of the entire patent including the specification. *See Phillips*, 415 F.3d at 1312–13.

In light of the parties’ arguments and evidence, it is not necessary to construe any claim terms expressly for our determination of whether to institute review of the challenged claims. *See, e.g., Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (holding that only claim terms in controversy need to be construed, and only to the extent necessary to resolve the controversy (citing *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))), *cert. denied*, 138 S. Ct. 1695 (Apr. 30, 2018).

B. Covered Business Method Patent

“The petitioner must demonstrate that the patent for which review is sought is a covered business method patent, and that the petitioner meets the eligibility requirements of § 42.302.” 37 C.F.R. § 42.304(a). A “covered business method patent” is a patent that “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1); 37 C.F.R. § 42.301(a). A patent is eligible for review if it has at least one claim directed to a covered business method. Transitional

Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention, 77 Fed. Reg. 48,734, 48,736 (Response to Comment 8) (Aug. 14, 2012) (Final Rule).

The U.S. Court of Appeals for the Federal Circuit has explained that “§ 18(d)(1) directs us to examine *the claims* when deciding whether a patent is a CBM patent.” *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1340 (Fed. Cir. 2016) (finding that the challenged patent was eligible for review because the claims recited “an express financial component in the form of a subsidy” that was “central to the operation of the claimed invention”). “CBM patents are limited to those with claims that are directed to methods and apparatuses of particular types and with particular uses ‘in the practice, administration, or management of a financial product or service.’” *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1382 (Fed. Cir. 2016). “[T]he definition of ‘covered business method patent’ is not limited to products and services of only the financial industry” and “on its face covers a wide range of finance-related activities.” *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015) (“*Versata II*”).

Financial Product or Service

Here, Petitioner argues that the ’605 patent claims an “apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service.” Pet.10–12 (citing AIA § 18(d)(1); 37 C.F.R. § 42.301(a)–(b)). As support, Petitioner notes that “[e]very one of the ’605 patent claims is directed to a system or apparatus for performing a mobile check deposit.” *Id.* at 10. According to

Petitioner, because a check is a financial product, “submitting checks for deposit, confirming deposits may go forward, and updating account balances are financial activities.” *Id.* at 12–13; Ex. 1002 ¶¶ 92–93.

In this regard, Patent Owner does not dispute Petitioner’s contentions. *See generally* Prelim. Resp. We agree with Petitioner that at least one claim recites an apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service. Notably, providing banking services, such as depositing a check, is activity that is financial in nature. *See SightSound Techs., LLC v. Apple Inc.*, 809 F.3d 1307, 1315 (Fed. Cir. 2015) (noting that a “financial activity” directed to money management or banking constitutes a “financial product or service” within the meaning of the statute). For example, claim 1 expressly recites “submitting the check for deposit.” Ex. 1001, 15:24–45. As such, claim 1 explicitly contains a financial activity element—submitting a check for deposit—and not merely a limitation that could be considered “incidental” or “complementary” to such financial activity. *See Unwired Planet*, 841 F.3d at 1382. Therefore, we determine that Petitioner has demonstrated sufficiently that at least one claim is directed to an apparatus for performing data processing used in the practice, administration, or management of a financial product or service. Consequently, the ’605 patent satisfies the “financial product or service” component of the definition for a covered business method patent under § 18(d)(1) of the AIA.

We now turn to the issue of whether Petitioner has demonstrated that the ’605 patent does not fall within the technological invention exception.

Technological Invention Exception

The definition of “covered business method patent” in § 18(d)(1) of the AIA *excludes* patents for “technological inventions.” As noted above, “[t]he petitioner must demonstrate that the patent for which review is sought is a covered business method patent, and that the petitioner meets the eligibility requirements of § 42.302.” 37 C.F.R. § 42.304(a). As such, Petitioner has the burden to show that the ’605 patent is *not* a patent for a “technological invention.”

To determine whether a patent falls within this exception, we consider “whether the claimed subject matter *as a whole* recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b) (emphasis added). We also recognize that “the presence of a general purpose computer to facilitate operations through *uninventive steps* does not change the fundamental character of an invention.” *Versata II*, 793 F.3d at 1327 (emphasis added).

We have considered Petitioner’s arguments as to both parts of the § 42.301(b) definition. For the reasons stated below, we are not persuaded by Petitioner’s showing that the technological invention exception does not apply, and therefore, we determine that Petitioner fails to establish that the ’605 patent qualifies as a covered business method patent, as defined by § 18(d)(1) of the AIA.

As to the first part of the § 42.301(b) definition, Petitioner asserts that the claims of the ’605 patent do not recite a novel and unobvious

technological feature. Pet. 12–20. As support, Petitioner avers that the operations to be performed by the “downloaded software component” or “downloaded app associated with a bank,” as recited in claims 1 and 12 are not “technological.” *Id.* at 15–17. Petitioner further contends that other individual claimed elements (e.g., the camera and camera software) are not “new.” *Id.* at 13–20. Petitioner also argues that the ’605 patent makes clear that the invention should be implemented on a general purpose computer. *Id.* at 13–14. As to the second part of the § 42.301(b) definition, Petitioner asserts that the ’605 patent purports to solve a business problem, making check deposits easier for bank patrons, and the claims do not solve a technical problem. *Id.* at 20–21.

Patent Owner counters that Petitioner “isolates individual elements of the claims without analyzing all elements of the claim as a whole.” Prelim. Resp. 16. Patent Owner avers that the ’605 patent is directed to a specific improvement of the operation of a system for performing mobile check deposits. *Id.* at 18–21. Patent Owner also contends that Petitioner fails to point to any mobile device that combines the claimed features for performing mobile check deposits, and provides no analysis “of how to combine the many references identified in the CBM-eligibility section or why there would have been a reason or motivation to combine such references.” *Id.* Patent Owner further argues that “Petitioner misidentifies the purpose of the ’605 patent by oversimplifying it,” and that the ability to capture an image of a check of sufficient quality with a mobile device so that data may be accurately extracted from the image to perform a mobile check

deposit is a technical solution to a technical problem. *Id.* at 1–2, 21–25. We agree with Patent Owner.

Notably, with respect to the first part of the § 42.301(b) definition, Petitioner’s argument that the operations to be performed by the “downloaded software component” or “downloaded app associated with a bank” are not “technological” is inconsistent with the testimony of Petitioner’s declarant, Peter Alexander, Ph.D. As discussed below, Dr. Alexander admits that there were technical challenges associated with capturing sufficient quality images such that they could be recognized by a machine. Ex. 2012, 9:23–10:3; Ex. 2027 ¶¶ 39, 137, 138. Therefore, we are not persuaded by Petitioner’s argument that the operations to be performed by the “downloaded software component” or “downloaded app associated with a bank” are not “technological.”

Petitioner’s arguments that other individual components of the claimed system are not “new” also are unavailing because Petitioner fails to consider the claimed subject matter as a whole. *See Apple, Inc. v. ContentGuard Holdings, Inc.*, CBM2015-00046, Paper 12 at 10 (PTAB June 3, 2015) (holding that Petitioner has not demonstrated sufficiently that the claimed subject matter is not a technological invention because “Petitioner does not even mention the claimed subject matter as a whole, but instead merely points to discrete pieces of the claim, each taken out of context and dissected separately”). As Patent Owner notes, Petitioner “isolates individual elements of the claims without analyzing all elements of the claim as a whole.” Prelim. Resp. 16. Petitioner also fails to point to any mobile

device that combines the claimed features for performing mobile check deposits, and provides no analysis “of how to combine the many references identified in the CBM-eligibility section or why there would have been a reason or motivation to combine such references.” *Id.* at 18–21.

Accordingly, we are not persuaded by Petitioner’s arguments that other individual components of the claimed system are not “new.”

Furthermore, Petitioner’s argument that the invention is implemented on a general purposed computer is misplaced. Petitioner concedes that the claims of the ’605 patent “are directed to a system for depositing checks using a mobile device.” Pet. 10. Claim 1 explicitly recites a “downloaded software component” configured to control the camera software on a portable device, and to manage capturing electronic images. Ex. 1001, 15:9–16:3. Claim 1 further recites that the “downloaded software component” comprises instructions that, when executed by the processor of the portable device, cause the portable device to perform the recited operations for depositing checks. *Id.* Independent claim 12 similarly recites a “downloaded app associated with a bank” that controls the camera software on a handheld mobile device for submitting a check for deposit. *Id.* at 16:30–17:3.

Significantly, Petitioner fails to appreciate that “a general purpose computer ‘in effect becomes a special purpose computer once it is programmed to perform particular functions pursuant to instruction from program software.’” *Aristocrat Techs. Australia Pty Ltd. v. Int’l Game Tech.*, 521 F.3d 1328, 1333 (Fed. Cir. 2008) (quoting *WMS Gaming, Inc. v.*

Int'l Game Tech., 184 F.3d 1339 (Fed. Cir. 1999)); *see also In re Alappat*, 33 F.3d 1526, 1545 (Fed. Cir. 1994) (en banc); *In re Bernhart*, 417 F.2d 1395, 1399–1400 (CCPA 1969) (explaining that “[i]f a machine is programmed in a certain new and unobvious way, it is physically different from the machine without that program”). As recited in both independent claims 1 and 12, the claimed process for performing mobile check deposits occurs *after* downloading the “software component” or “app associated with a bank” onto the portable or mobile device. Ex. 1001, 15:9–16:3, 16:30–17:3. Once the “software component” or “app associated with a bank” is downloaded, the general purpose computer on the portable or mobile device becomes a specialized computer for performing mobile check deposits. In its CBM eligibility analysis, Petitioner fails to show that having such a specialized computer on a portable or mobile device was not novel or unobvious. Pet. 12–20. More importantly, for purposes of determining CBM eligibility, Petitioner does not consider whether the “software component” or “app associated with a bank” that is downloaded on the portable device or mobile device imparts specific, unconventional functionality that allows the claimed devices to capture electronic images of a check suitable for remote deposit. *See SightSound*, 809 F.3d at 1315 (noting that a patent “[c]laiming a computer [with] ‘specific, unconventional software, computer equipment, tools or processing capabilities’” would render the patent for a “technological invention” within the meaning of AIA § 18(d)(1) (quoting *Versata II*, 793 F.3d at 1327)). Hence, we are not

persuaded by Petitioner’s argument that the invention is implemented on a general purpose computer.

As discussed above, although Petitioner attempts to incorporate by reference its anticipation ground (*id.* at 20), “Petitioner’s analysis with respect to its asserted [unpatentability] ground cannot take the place of a proper covered business method patent eligibility analysis.” *See Wells Fargo Bank*, CBM2019-00004, Paper 22 at 30–31. More importantly, our determination not to consider Petitioner’s anticipation ground based on *Oakes* during the preliminary stage of this proceeding for purposes of assessing whether the challenged claims of the ’605 patent recite a technological feature that is novel and unobvious (the second part of the § 42.301(b) definition) finds support in guidance from the U.S. Court of Appeals for the Federal Circuit.

In *Versata II*, the Federal Circuit stated, “[a]t this early stage of the process, when the [U.S. Patent and Trademark Office] is first determining whether the patent at issue is even a [covered business method patent eligible for review], there would seem to be little cause to determine what will be one of the ultimate questions if review is granted—did the [U.S. Patent and Trademark Office] err in the first instance when it originally determined that the invention was novel and nonobvious?” 793 F.3d at 1326. The Federal Circuit in *Versata II* then proceeded to set aside the inquiry as to whether the claims recite a technological feature that is novel and unobvious that is part of 37 C.F.R. § 42.301(b), thereby leaving the definition of a technological invention to one that merely assesses the claims

to determine if they recite “a ‘technological’ feature that solves a ‘technical’ problem using a ‘technical’ solution.” *Id.* Moreover, the Federal Circuit recently questioned whether the first part of 37 C.F.R. § 42.301(b), which refers to “a technological feature that is novel and unobvious over the prior art,” is coextensive with 35 U.S.C. §§ 102 and 103. *See SIPCO, LLC v. Emerson Elec. Co.*, No. 2018-1635, 2019 WL 4656205, at *9 (Fed. Cir. Sept. 25, 2019) (citing *Versata II*, 793 F.3d at 1326). Here, we have considered and addressed Petitioner’s arguments and evidence that the challenged claims of the ’605 patent do not recite a technological feature that is novel and unobvious, but we decline to delve further into the intricate written description issues raised in this case at the stage of determining CBM eligibility, particularly in view of the overlapping issues raised in the co-pending district court litigation.

For the foregoing reasons, Petitioner has not demonstrated sufficiently that the claimed subject matter, as a whole, does not recite a technological feature that is novel and unobvious over the prior art. Consequently, Petitioner fails to show that the ’605 patent does not meet the first part of the § 42.301(b) definition.

In addition, as to the second part of the § 42.301(b) definition, we are not persuaded by Petitioner’s argument that the ’605 patent purports to solve a business problem—making check deposits easier for bank patrons—and the claims do not solve a technical problem. Pet. 20–21. As Patent Owner explains, “Petitioner misidentifies the purpose of the ’605 patent by oversimplifying it.” Prelim. Resp. 21–25. We agree with Patent Owner that

the '605 patent is directed at “providing a technical solution to remotely depositing a check using a mobile device.” *Id.*

As Patent Owner notes, the ability to capture an image of a check of sufficient quality with a mobile device so that data may be accurately extracted from the image to perform a mobile check deposit is a technical solution to a technical problem. *Id.* at 1–2, 21–22. Indeed, Petitioner’s lead engineer testified, during cross-examination in the related district court case, that capturing an image of a check that has sufficient quality that it can be used for deposit involves “a number of technical problems.” Ex. 2010, 41:6–13 (Question: “And when you were developing your mobile app to use a mobile phone to capture the images, you had to solve a number of *technical problems so that you would get a sufficiently high-quality image*, correct? [Answer:] Yes, that’s correct. That was definitely one of the criteria.” (emphases added)). Notably, Petitioner’s lead engineer also testified that (1) “creat[ing] a system that allows a human user to use a mobile device to capture an image of a check and ensure that the image is of sufficient quality that a computer can extract the important data from that check” is a “technical problem which needs to be solved” (*id.* at 57:11–22); (2) the “technical solutions will be different” for systems, such as mobile phone deposit, where “the bank doesn’t have possession of the physical check” (*id.* at 100:21–101:10); and (3) mobile device systems must contend with “extremely varied” environments where “conditions cannot be as controlled as the way you would do in an [Automated Teller Machine]” (*id.* at 49:3–12).

Dr. Alexander also admits that there are “technical challenges associated with capturing sufficient quality images such that they could be recognized by a machine,” such as “the problem of skewing during image scanning” due to a lack of the same “check alignment precision with the camera” as was provided by prior art check scanning machinery. Ex. 2012, 9:23–10:3; Ex. 2027 ¶¶ 39, 137, 138. Dr. Alexander further concedes that “a person of ordinary skill in the art would have already recognized: that inadequate imaging of checks (such as described above with respect to image quality and/or skewing) would result in errors in electronic checking transactions because of incorrect deciphering of important information on the check such as the account number or the courtesy and legal amounts.” Ex. 2027 ¶¶ 39, 137, 138.

Moreover, the ’605 patent explains solving the technical problem of capturing images of sufficient quality for proper optical character recognition (“OCR”) so that information can be properly extracted from images of checks. Ex. 1001, 11:25–37, 13:59–63. Claim 1 requires “confirming that the [mobile check] deposit can go forward after performing an optical character recognition on the check,” “initiating the deposit after the confirming,” and updating the balance to reflect the check amount. *Id.* at 15:55–16:3. Claim 12 requires similar steps. *Id.* at 16:61–17:3.

Based on the evidence before us, we agree with Patent Owner that capturing an image of a check of sufficient quality with a mobile device so that data may be accurately extracted from the image to perform a mobile check deposit is a technical solution to a technical problem. As such, we

determine that Petitioner fails to demonstrate that the claimed subject matter of the '605 patent, as a whole, does not solve a technical problem using a technical solution. Accordingly, Petitioner fails to show that the '605 patent does not meet the second part of the § 42.301(b) definition.

For the reasons stated above, Petitioner has not satisfied its burden to show that the '605 patent is not a patent for a technological invention. Consequently, we determine that Petitioner has not shown sufficiently that the technological invention exception does not apply to the '605 patent.

III. CONCLUSION

For the foregoing reasons, we conclude that Petitioner has not met its burden to show that the '605 patent is a covered business method patent under AIA § 18(d)(1). Therefore, the '605 patent is not eligible for review using the transitional covered business method patent program.

IV. ORDER

Accordingly, it is
ORDERED that the Petition is *denied*; and
FURTHER ORDERED that no covered business method patent
review is instituted.

CBM2019-00029
Patent 10,013,605 B1

For PETITIONER:

Louis L. Campbell
Andrew Sommer
Michael M. Murray
WINSTON & STRAWN LLP
llcampbell@winston.com
asommer@winston.com
mmurray@winston.com

For PATENT OWNER:

Michael R. Fleming
Anthony Rowles
IRELL & MANELLA LLP
MFleming@irell.com
TRowles@irell.com